



Office of the Inspector General

David R. Shaw, Inspector General

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DEPARTMENT OF CORRECTIONS AND REHABILITATION SLOW TO COLLECT MONEY OWED BY LABOR UNION

SACRAMENTO – Inspector General David R. Shaw released a report today that identifies the Department of Corrections and Rehabilitation’s (CDCR) failure to timely bill the Service Employees International Union (SEIU) for millions of dollars in leave taken by department employees. Under the terms of the state’s contracts with the SEIU department employees may take time off for union activities, but the union is required to reimburse CDCR for the employees’ time. The review found that although the department’s Office of Labor Relations (OLR) has recently begun billing the SEIU for union-paid leave, the first billing came nearly two years after the OLR assumed the billing responsibility from the department’s regional accounting offices and four months after Shaw’s office began its review. Moreover, more than \$2 million remains to be billed.

“With the state facing a severe fiscal crisis, it is imperative that the department collect every dollar owed to it,” said Shaw. “Unfortunately, the Department of Corrections and Rehabilitation has only recently started billing the SEIU despite the fact we pointed out serious problems with its management of union leave nearly three years ago.”

This is the Inspector General’s second report that cites problems with the department’s management of union leave. The first report, issued in July 2006, found that the department wasted potentially millions of dollars in state resources because it neglected to track and control union leave time and failed to collect reimbursements owed to the state. The Inspector General’s 2006 report focused on leave time taken by members of the California Correctional Peace

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Officers Association (CCPOA) because it accounted for 62 percent of the department's union leave time. However, the report was also clear that the poor record keeping and the failure to collect reimbursements applied to all unions with leave provisions in their collective bargaining agreements. This included the SEIU's nine contracts.

Following the Inspector General's first report, the department transferred responsibility for tracking union leave time and billing the unions to the OLR in March 2007. Previously, the department's field operations, such as prisons and parole offices, working in conjunction with the department's regional accounting offices, had this responsibility. As the 2006 report shows, those field-based efforts were sporadic and largely ineffective.

Shaw noted that since November 2008, the department has reportedly billed its unions \$4,561,092 for union-paid leave dating back to July 1, 2005. Of that amount, the department says it has billed the SEIU for \$1,315,547 and collected more than \$300,000. "We applaud the department for finally taking action to bill the SEIU as well as its other unions. However, there is still a lot more union leave money to be collected and my office will follow up to ensure that the department pursues reimbursement systematically and diligently."

The entire report may be viewed and downloaded from the Office of the Inspector General's Web site at <http://www.oig.ca.gov/>.

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